

sufficient sum to carry out their contracts, and that those in charge of the affairs of the companies are held strictly accountable for the honest and intelligent performance of their duties. By far the largest part of the vast sums which are collected by the life insurance companies must eventually be paid back to the people, and in the meantime the funds and their reasonable increase in the hands of the companies should be rigidly supervised and guarded.

Fire Insurance: The fire insurance companies are collecting in this State \$3,000,000 annually, or approximately the same amount that the State Government collects from all sources for all purposes. This is a heavy tax for the benefits received and in most cases it is passed on and finally paid by the ultimate consumer; and like all taxes on consumption it falls heaviest on the masses. The manufacturer figures his insurance in his fixed charges and includes it in the price of his product; the merchant adds it to his expenses and collects it out of his customers; the landlord adds it to the interest on his investment and his other expenses, and fixes his rent high enough to cover all. This business in this State at least is upon the basis and conducted on a system entirely different from life insurance. Competition has been practically destroyed both in the rates of premium charged the people and also in the compensation which the companies pay their agents for securing the business. Most of the important companies doing business in this State have entered into a compact or trust agreement to maintain fixed rates of premium to be paid by the insurers and a fixed rate of commissions to be paid their agents, and to be governed by the same rules and regulations, and the other companies practically accept the domination of this combination. The people must pay the rates and submit to the rules arbitrarily prescribed by it, or go without insurance.

My investigation of this subject has led me to believe that the fire insurance companies are using the power secured as above stated arbitrarily and with injustice to the people of this State. I am not only satisfied that the rates charged are intrinsically too high, but I am satisfied that more is charged here than in some other States for carrying the same risk, and that the agents who do the work in securing the business are paid less here than